



Commonwealth  
of Massachusetts

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*Office of Campaign and Political Finance*  
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*Boston, MA 02108*

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*Advisory Opinion*

June 29, 1999  
AO-99-11

George Phillies  
87-6 Park Avenue  
Worcester, MA 01605

Re: Selection of name for political action committee and involvement of candidate in PAC fundraising and other activities

Dear Mr. Phillies:

This letter is in response to your May 17, 1999 letter requesting an advisory opinion regarding the name of the PAC that you are establishing.

You have stated that “the general intent of the PAC” would be “to support low taxes, small government, Constitutional government, and the whole Bill of Rights.” You anticipate that the PAC may eventually become a people’s committee.

**Questions**

- (1) May the PAC be called “the Liberty Tree Political Action Committee” or “the Freedom Train Political Action Committee?”
- (2) To what extent may candidates contribute to the PAC, hold fundraisers to benefit the PAC, or otherwise be active in the PAC?

**Answers**

- (1) The described names would not appear to “clearly identify the economic or other special interest” of contributors. Therefore, we recommend using a name such as “Liberty Tree: the Small Government, Limited Taxation Political Action Committee.”

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(2) Candidates may personally<sup>1</sup> contribute to the PAC in amounts up to \$500 during any calendar year and may be active in the PAC, but they may not “finance, maintain or control” the PAC and may not serve as a principal officer of a PAC. If the PAC accepts a contribution of more than \$108

during a calendar year from any individual or receives anything from any political committee it may not become a people’s committee.<sup>2</sup>

## Discussion

### 1. Name of committee

The campaign finance law specifies, in part, that political action committees must identify themselves with a name or phrase which “**clearly identifies the economic or other special interest**, if identifiable, of a majority of its contributors.” If a majority of contributors share a common employer, the name must also identify the employer. If the economic or other special interest or common employer of a majority of contributors is not identifiable, the statute requires a name “that clearly identifies the economic or other special interest, if identifiable, of a majority of its organizers.” See M.G.L. c. 55, § 5B and AO-98-04.

Based on your letter, the names “Liberty Tree Political Action Committee” and “Freedom Train Political Action Committee” do not appear to identify the economic or other special interest of expected contributors to the committee. The special interest of expected contributors would be “low taxes, small government, Constitutional government, and the Bill of Rights.” Therefore, the committee might be called, for example, “Liberty Tree: the Small Government, Limited Taxation Political Action Committee.”

### 2. Involvement of candidates in PAC fundraising activities

Candidates and persons holding elective public office may not “establish, finance, maintain, control or serve as a principal officer of a political action committee. See M.G.L. c. 55, § 5A.<sup>3</sup> The statute does not define the word “finance.” The office has stated that “finance” in the context of section 5A means “to raise or provide funds or capital for.” See AO-95-01, stating that a candidate or elected official would be considered to be financing a PAC when such a person “takes significant action such as agreeing to lend his or her name to a fundraising appeal letter and that action (1) is designed to raise a significant portion of a PAC’s funds; (2) actually raises a significant portion of a PAC’s funds; or (3) significantly influences the manner in which a PAC obtains contributions.”

A candidate may contribute to a PAC without necessarily “financing” the PAC. An elected official or a candidate may ordinarily personally contribute up to \$500 during a calendar year to a PAC. See M.G.L. c. 55, s. 7A(a)(3). A decision to contribute to a PAC, subject to the contribution limits

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<sup>1</sup> A committee organized on behalf of a candidate not seeking statewide office may, however, contribute committee funds without limit to PACs if the contributions are made only for the enhancement of the political future of the candidate. See M.G.L. c. 55, § 6.

<sup>2</sup> The \$108 figure, which was \$100 when the statute was enacted by Chapter 43 of the Acts of 1994, is indexed biennially for inflation and will next be indexed on December 31, 1999. See M-97-05.

<sup>3</sup> The statute creates an exception for a majority of the members of each political party in the house of representatives and in the senate, each of which may authorize one PAC controlled by a candidate or elective public office holder.

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imposed by law, is not viewed as "financing" a PAC.<sup>4</sup> If the contribution is accompanied by action designed to raise a substantial portion of a PAC's funds or to influence significantly the manner in

which a PAC obtains contributions, however, the candidate or elected official may be considered to be financing the PAC.

A people's committee is a political committee which begins its existence as a PAC, but which meets four important criteria: it only receives contributions from individuals, it only receives contributions in amounts of \$108 or less in any calendar year; it has been in existence for six months or more; and it has contributed to five or more candidates. See M.G.L. c. 55, § 1 and 970 CMR 2.02. In the context of your question, an important difference between PACs and people's committees is that although candidates and elected officials may not serve as officers of a PAC or in any way control, maintain or finance a PAC, they may do so for people's committees. If, however, a candidate, elected official or any other person contributes more than \$108 to a PAC, the PAC may not become a people's committee.

This opinion is issued on the basis of your letter and conversation with OCPF staff, and is solely within the context of the campaign finance law. I encourage you to contact us in the future if you have further questions regarding any aspect of the campaign finance law.

Sincerely,

A handwritten signature in black ink, reading "Michael J. Sullivan". The signature is fluid and cursive, with a horizontal line extending from the end.

Michael J. Sullivan  
Director

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<sup>4</sup> A contribution might cause a candidate or elected official to be considered to "finance" a PAC if a PAC does not raise funds substantially above the amount provided by the candidate or elected official, e.g., a candidate contributes \$500 to a PAC which only raises a total of \$600. See AO-95-01.